FW: Media Summary of Auditor General's comments on Pensions Asset Advisory Panel report

From: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "Tam, Nelson (TBS)" <nelson.tam@ontario.ca>
Date: Thu, 16 Feb 2017 11:33:35 -0500
Attachments: 201702161053.pdf (198.84 kB)

FYI

From: Bigley, Jane (TBS)
Sent: February-16-17 11:29 AM
To: @TBS-L-Issues and Media; Balgobin, Sueanne (TBS); Cabell, Jonathan (TBS); Cusumano, Josephine (TBS); Eastwood, Alexander (TBS); MacIntyre, Kyle (TBS); Nelson, Dane (TBS); Simone, Nicole (TBS); Ostergard, Matt (TBS); Prins, Sebastian (TBS); Tedesco, Lauren (TBS)
Cc: Laughton, Patrick (TBS); Hosick, Sarah (TBS); Spadoni, Peter (MOF); Ovenden, Erin (TBS); Pichette, Marc (MOF); Blodgett, Scott (MOF)
Subject: Media Summary of Auditor General's comments on Pensions Asset Advisory Panel report

MEDIA STUDIO PRESS CONFERENCE
Thursday, February 16, 2017
TIME: 10:00 a.m.

SUBJECT: Auditor General of Ontario comments on the Government’s Pension Asset Advisory Panel report regarding two
of Ontario’s jointly sponsored pension plans.

MEDIA IN ATTENDANCE:
Benzie – TorStar; Nanji – QP Briefing; Bliss – CTV; Crawley – CBC; Martin Regg Cohn – Star; and 3 others.

SUMMARY:

Auditor General Bonnie Lysyk says her office is an independent non–partisan office of the legislature. This gives that office a vital safeguard to be independent of the government and its administration. She stressed it is her job in that office to give a fair opinion.

Their position is that in order to receive a clean audit opinion a signed agreement between the parties to the jointly-sponsored pension plans is required. The province needs to get written permission from OPSEU and the Ontario Teacher’s Pension to use that $10.7 B surplus. She says her office has not received that evidence yet. The AG wants to see written permission from the joint sponsors that says the province can count its share of the surplus on the balance sheet.
The AG stresses two signatures are needed to get her office ‘s approval and she is unable to give a clean audit opinion until she sees such a letter.
“It’s like a joint bank account that requires two signatures on every cheque. That’s what we’ve been saying and we’re pleased to see the Panel saying the same thing.”

The AG says the big player here is the Ontario Teachers Federation because their plan makes up $10.1B of the $10.7B at issue.

Lysyk also mentioned that both New Brunswick and British Columbia are both following her accounting perspective. She says: "Show me the money", "show me the letter that says you can use the money".,

(Attached is the AG news release and fact sheet. Full transcript will follow in second email. IMMR will continue to follow media throughout the day.)

Questions and Answers:

Key issues:

Can the govt raid the pension plan kitty? (this was asked multiple times from various media outlets)
Answer: AG kept saying that's up to the government how they use that money. You should ask the government.
But she did repeat the money can only be considered an asset if a letter of agreement is signed by the OTP and OPSEU to the government. We need evidence of the partnership agreement.

Benzie – what happens next if you get the letter or you don't get the letter?
Answer: If we don't get the letter our position is the same. We need proof. End of the day we want the statements to reflect accounting principles.
All we need is a letter to prove government has an asset on its book today.
The AG said if the government is not able to produce a letter that she would issue a qualified opinion.

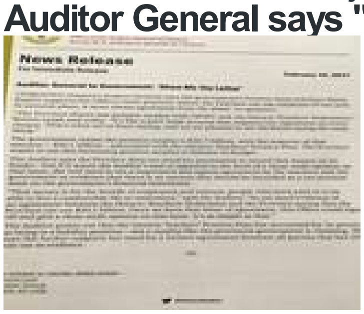
Twitter Reaction:

10:40 Mike Crawley @CBCQueensPark
Auditor General Bonnie Lysyk answers $10.7B question: govt can't count joint pension surpluses against bottom line

10;37 Sabrina Nanji @sabrinananji
Ooh Auditor General says her office is working on a pre election report

10:11 am Sabrina Nanji @sabrinananji **AG says the big player in this drama is the Ontario Teachers Federation, because their plan makes up $10.1B of the $10.7B at issue**

10:03 am Sabrina Nanji @sabrinananji
Auditor General says "show me the letter" # onpoli



10:02 Robert Benzie @robertbenzie
BREAKING: @OntarioAuditor refuses to accept expert panel's conclusion $10.7B in pension surpluses a govt asset.